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American TonerServ Reports Revenue up 528% to \$1.1 Million for the Quarter Ended September 30, 2007

For the Nine Months Ended September 30, 2007, Revenue up 692% to \$2.6 Million

American TonerServ Corp. ("ATS" or the "Company") (OTCBB: ASVP), a strategic consolidator in the highly fragmented printer supplies and services industry, announced record operating results for the quarter and nine months ended September 30, 2007.

ATS reported revenue of approximately \$1.1 million for the quarter ended September 30, 2007, compared to approximately \$0.2 million for the quarter ended September 30, 2006 -- a 528% increase. For the nine months ended September 30, 2007, ATS reported record revenue of approximately \$2.6 million, compared to approximately \$0.3 million for the nine months ended September 30, 2006 -- a 692% increase. The substantial increase in revenue was primarily attributable to the acquisition of Optima Technologies, LLC which occurred during Q2 2007, the acquisition of the customer lists of Brody Enterprises doing business as Sun Products in Q4 2006, and the acquisition of customer lists of Computech Print Solutions, Inc. and Laser Cartridge Recharge Systems, Inc. which occurred during Q3 2006.

ATS reported a net loss for the quarter ended September 30, 2007 of approximately \$1.2 million, compared to net loss for the quarter ended September 30, 2006 of approximately \$0.7 million. For the nine months ended September 30, 2007, ATS reported a net loss of approximately \$3.1 million, compared to a net loss of approximately \$0.9 million for the nine months ended September 30, 2006.

Based on 23,676,336 of weighted shares of common stock outstanding during the third quarter, ATS reported a loss of approximately \$0.05 per share for the quarter ended September 30, 2007 and \$0.13 per share for the nine months ended September 30, 2007.

About American TonerServ:

American TonerServ Corp. ("ATS") is a consolidator in the highly fragmented printer supplies and services industry. ATS acquires, integrates and manages independent businesses that deliver printer supplies, services and equipment to small/mid-sized businesses. Through its consolidation strategy, ATS plans to capture at least 3 - 5% market share (\$250.0 MM annualized revenue) of the compatible toner cartridge industry, establishing itself as the brand of choice in the compatibles market as Hewlett Packard is in the OEM market. Please visit www.AmericanTonerServ.com.

Forward-Looking Statement:

Except for historical information contained herein, the matters set forth above may be forward-looking statements that involve certain risks and uncertainties that could cause actual results to differ from those in the forward-looking statements. Words such as "anticipate," "believe," "estimate," "expect," "intend" and similar expressions, as they relate to the Company or its management, identify forward-looking statements. Such forward-looking statements are based on the current beliefs of management, as well as assumptions made by and information currently available to management. Actual results could differ materially from those contemplated by the forward-looking statements as a result of certain factors such as the level of business and consumer spending, the amount of sales of the Company's products, the competitive environment within the industry, the ability of the Company to continue to expand its operations, the level of costs incurred in connection with the Company's expansion efforts, economic conditions in the industry and the financial strength of the Company's customers and suppliers. The Company does not undertake any obligation to update such forward-looking statements. Investors are also directed to consider all other risks and uncertainties.

AMERICAN TONERSERV CORP. AND SUBSIDIARY
Condensed Consolidated Statements of Operations
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2007	2006	2007	2006
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Revenues:				
Toner	\$ 964,909	\$ 140,057	\$ 2,292,436	\$ 153,005
Service	121,693	32,895	283,364	172,381
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Total revenues	1,086,602	172,952	2,575,800	325,386
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Cost of sales:				
Toner	638,392	94,934	1,456,932	101,729
Service	119,094	22,597	269,174	78,898
Inventory write-down	68,500	-	68,500	-
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Total cost of sales	825,986	117,531	1,794,606	180,627
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Gross profit	260,616	55,421	781,194	144,759
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Operating Expenses:				
Salaries and wages	398,776	305,758	1,161,649	362,133
Professional fees and services	418,965	243,356	1,149,485	315,805
Sales and marketing	44,327	6,094	211,663	15,875

General and administrative	389,113	64,424	876,937	148,304
Amortization of customer lists	97,981	11,503	232,222	11,503
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Total operating expenses	1,349,162	631,135	3,631,956	853,620
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Loss from operations	(1,088,546)	(575,714)	(2,850,762)	(708,861)
Other income (expense):				
Fair value of convertible debt	(50,000)	(150,172)	(45,833)	(150,172)
Interest expense	(96,161)	(6,838)	(191,049)	(53,425)
Change in fair value of warrant liability	670	-	6,332	12,827
Gain on claims settlement	-	-	1,301	37,357
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Net loss	\$ (1,234,037)	\$ (732,724)	\$ (3,080,011)	\$ (862,274)
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Net loss per share: basic and diluted	\$ (0.05)	\$ (0.03)	\$ (0.13)	\$ (0.11)
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Weighted average number of shares outstanding: basic and diluted	23,676,336	21,337,097	23,420,257	7,702,283
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AMERICAN TONERSERV CORP. AND SUBSIDIARY
Condensed Consolidated Balance Sheet
(Unaudited)

September 30,
2007

ASSETS

Current assets:

Cash and cash equivalents	\$ 75,007
Accounts receivable, net of allowance for doubtful accounts of \$35,224	604,778
Inventory	214,961
Prepaid expenses and other current assets	32,923
Deferred compensation	446,898

Total current assets 1,374,567

Customer lists, net	2,356,590
Goodwill	421,848
Property and equipment, net	108,800
Other assets	114,118

Total assets \$ 4,375,923

LIABILITIES AND STOCKHOLDERS' DEFICIT

Current liabilities:

Accounts payable and accrued expenses	\$ 1,269,562
Shareholder advances	490,000
Notes payable - current portion (net of unamortized discount of \$155,459)	1,130,696
Convertible notes payable, related parties – current portion	562,500
Convertible notes payable – current portion	537,500
Deferred revenue	57,657

Total current liabilities 4,047,915

Long-term liabilities:

Notes payable (net of unamortized discount of \$130,380)	306,600
Convertible notes payable	132,000
Warrant liabilities	41,495

Total long-term liabilities 480,095

Total liabilities 4,528,010

Commitments and contingencies

Stockholders' equity:

Convertible preferred stock, \$.001 par value; 50,000,000 Series C authorized shares; 1,952,856 shares issued and outstanding (liquidation preference of \$1,952,855)	1,953
Common stock; \$.001 par value; 450,000,000 shares authorized; 26,643,727 shares issued and outstanding	26,643
Additional paid-in capital	15,645,844
Accumulated deficit	(15,826,527)

Total stockholders' deficit	(152,087)

Total liabilities and stockholders' deficit	\$ 4,375,923
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